UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA

Case No. 01-

CIV-KING

MAGISTRATE JUDGE
O'SULLIVAN

In re: Request from Switzerland)
Pursuant to the Treaty Between the)
United States of America and the)
Swiss Confederation on Mutual)
Assistance in Criminal Matters in)
the Matter of Vladimiro Montesinos)
/

MEMORANDUM OF LAW IN SUPPORT OF APPLICATION FOR ORDER

The United States is seeking an Order appointing a Commissioner to collect evidence requested by Switzerland in its attached Treaty Request made pursuant to the Treaty between the United States of America and the Swiss Confederation on Mutual Assistance in Criminal Matters, May 25, 1973, 27 U.S.T. 2019, T.I.A.S. 8302 (entered in force Jan. 23, 1977) [hereinafter referred to as "the Treaty"]. A treaty constitutes the law of the land. U.S. Const. art. VI. The provisions of a treaty have equal footing with acts of Congress and are binding on the courts. Asakura v. City of Seattle, Washington, 265 U.S. 332, 341 (1924); United States v. The Peggy, 5 U.S. 103 (1801). To the extent that the provisions of a treaty are inconsistent with a preexisting statutory provision, the treaty supersedes the statute. United States v. Erato, 2 F.3d 11, 15-16 (2d Cir. 1993).

A. The Treaty

The United States and Switzerland entered into the Treaty for the purpose of promoting mutual legal cooperation in criminal matters. The Treaty obliges each state to provide assistance to the other in investigations of offenses covered under the Treaty and in court proceedings related to such offenses. Article 1(1). The assistance includes interviews and depositions of witnesses, production of documents and other things, and asset freezes. Article 1(4); Barr v. U. S. Department of Justice, 645 F. Supp. 235, 237 (E.D.N.Y. 1986), aff'd, 819 F.2d 25 (2d Cir. 1987).

The Treaty empowers federal district courts to execute Swiss requests in order to comply with the United States' treaty obligation. Article 31(2) provides that a court has:

> all of the jurisdiction, authority and power . . . which it has in investigations or proceedings with respect to an offense committed within its jurisdiction.

The Treaty also requires that federal district courts use their power to execute Swiss requests. Article 9(3) provides that:

> The appropriate judicial officers and other officials in each of the two States shall, by all legal means within their power, assist in the execution of requests from the other State.

The Treaty contemplates that federal district courts will use compulsory measures to execute Swiss requests. Article 10(1). The Treaty requires the use of compulsory measures where, as provided by Article 4(2):

> . . . the acts described in the request

> contain the elements, other than intent . . . of an offense . . . which would be punishable under the law in the requested State if committed within its jurisdiction and [which] is listed in the Schedule [Offenses for Which Compulsory Measures Are Available].

The acts described in the Swiss request, summarized below, contain the elements of an offense which, if committed in the United States, would be punishable. The provisions of Article 2(1), which limit the application of the Treaty, are inapplicable to this request.

B. Use of the Treaty to Execute Requests for Assistance

The Treaty is self-executing and requires no implementing legislation. See Letter of Submittal of Treaty to the President from the Department of State, February 5, 1976. Even so, it contains little in the way of a procedural framework for executing requests. Instead, it relies on the law of each state to establish procedures for executing requests in that state. Article 9(1) provides that:

> Except as otherwise provided in this Treaty, a request shall be executed in accordance with the usual procedure under the laws applicable for investigations or proceedings in the requested State with respect to offenses committed within its jurisdiction.

Consequently, federal district courts routinely utilize the "commission" procedure authorized by 28 U.S.C. §1782, the statute governing the provision of assistance for foreign judicial proceedings generally, to fulfill their judicial responsibility under the Treaty of executing Swiss requests.

1. *Appointment of a commissioner*

Section 1782 provides in pertinent part that:

> The district court . . . may direct that the testimony or statement [of a person who resides or is found within the district] be given or the document or other thing be produced, before a person appointed by the court.

A federal district court customarily appoints or "commissions" a person ("commissioner") to collect evidence on behalf of the court and authorizes the commissioner to submit the evidence collected to the requesting foreign court or authority. With requests for assistance in criminal matters, a court typically appoints an Assistant United States Attorney as commissioner. However, a court also may commission a foreign authority together with (or in lieu of) an Assistant United States Attorney. See, e.g., In re Letter of Request from the Supreme Court of Hong Kong, 138 F.R.D. 27, 29 (S.D.N.Y. 1991) [hereinafter Hong Kong].

Application to a federal district court for appointment of a commissioner to execute a foreign request for judicial assistance is handled ex parte. In re Letter of Request from the Crown Prosecution Service of the United Kingdom, 870 F.2d 686, 688 (D.C. Cir. 1989); In re Letters Rogatory from the Tokyo District, Tokyo, Japan, 539 F.2d 1216, 1219 (9th Cir. 1976).

2. *Establishment of an evidence-collecting procedure*

Section 1782 further provides in pertinent part that:

> To the extent that the order does not prescribe otherwise, the testimony or statement shall be taken, and the document or

> other thing produced, in accordance with the Federal Rules of Civil Procedure.

A federal district court empowers a commissioner to collect the evidence using the procedure prescribed by the court. A court has "complete discretion in prescribing the procedure to be followed." Sen. Rep. No. 1580, 88th Cong., 2d Sess. 1 (1964), reprinted in 1964 U.S. Code Cong. & Admin. News 3782, 3789. When a court's order fails to specify a procedure by which a commissioner is to collect the evidence, the Federal Rules of Civil Procedure apply. In re: Letters Rogatory from the Tokyo District Prosecutor's Office, Tokyo, Japan, 16 F.3d 1016 (9th Cir. 1994); Hong Kong, 138 F.R.D. at 32. However, as Section 1782 makes clear, when a court does specify a procedure other than one in accordance with the Federal Rules of Civil Procedure, the alternative procedure shall apply. In re Letter of Request from the Government of France, 139 F.R.D. 588, 590-591 (S.D.N.Y. 1991).

In executing Swiss requests, the Treaty obligates the courts to follow the "usual procedure . . . for investigations or proceedings . . . with respect to offenses committed within" the United States. Article 9(1). In other words, the Treaty requires that courts order the use of procedures comparable to those applicable in domestic investigations and prosecutions of criminal matters rather than, by default, the Federal Rules of Civil Procedure.

a. *Commissioner's subpoena*

Article 31(3) provides for the issuance of procedural documents, such as subpoenas, to effectuate the gathering of evidence:

> The Court . . . to which a request is transmitted . . . shall, when necessary, issue a procedural document . . . to require the attendance and statement or testimony of persons, or the production or preservation of documents, records or articles of evidence.

If a federal district court so orders, a commissioner may use the attached form, entitled commissioner's subpoena, to obtain the requested evidence. See, e.g., United States v. Erato, 2 F.3d 11, 12-13 (2d Cir. 1993) (incorporating in pertinent part the district court's order directing the use of commissioner's subpoenas). The commissioner's subpoena is a creation of neither the Federal Rules of Criminal Procedure nor the Federal Rules of Civil Procedure, but is an order of the court for the production of evidence in accordance with both the Treaty and Section 1782. See Article 31(2); 28 U.S.C. 1651. Upon authorization by a court, a commissioner may issue such commissioner's subpoenas as are necessary to execute the request.

b. *Notice of evidence taking*

Article 10(1) requires a use of compulsory process in the execution of Swiss requests comparable or similar to that in domestic criminal investigations or prosecutions:

> A person whose testimony or statement is requested under this Treaty shall be compelled to appear, testify and produce

> documents, records and articles of evidence in the same manner and to the same extent as in criminal investigations or proceedings in the requested State.

Inasmuch as grand jury and criminal trial subpoenas are issued without notice to other than the recipients (i.e., no notice to targets, defendants, or third parties), commissioner subpoenas issued in execution of Swiss requests likewise should require no notice to other than the recipients. Accordingly, a federal district court should authorize a commissioner to collect the evidence requested without notice to any party other than the recipient of the commissioner's subpoena except to the extent that a Swiss request asks for specific notice procedures.

C. The Present Request

The instant Treaty Request has been made by the Division of Police of the Swiss Federal Department of Justice and Police, the Central Authority under Article 28 of the Treaty, in connection with a current criminal investigation by Magistrate Cornelia A. Cova of the Examining Magistrate's Office IV in the Canton of Zueich, Switzerland. The Examining Magistrate's Office IV is investigating Vladimiro Montesinos Tores, the former advisor to Peruvian President Alberto Fujimori, regarding his involvement in the laundering of money into Swiss bank accounts as a result of military arms deals procured with the Peruvian government through bribes and kick-backs. The Examining Magistrate's Office has asked for assistance in obtaining bank account documents from banks located in the United States.

Accordingly, to execute this request, the government moves this Court to issue the attached Order appointing Assistant United States Attorney Curtis B. Miner as Commissioner, authorizing him to take the actions necessary, including the issuance of Commissioner's subpoenas, to obtain the evidence requested, and to adopt such procedures in receipt of the evidence as are consistent with the intended use thereof in Switzerland.

Respectfully submitted,

GUY A. LEWIS
UNITED STATES ATTORNEY

BY: ______________________

Curtis B. Miner
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UNITED STATES DISTRICT COURT FOR THE
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Case No. ____________________

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____________________________________/

ORDER

Upon application of the United States, and upon review of the request from the Swiss Confederation seeking evidence under the Treaty on Mutual Assistance with the Swiss Confederation, and the Court having fully considered this matter,

IT IS HEREBY ORDERED, pursuant to the authority conferred by the Treaty between the United States of America and the Swiss Confederation on Mutual Assistance in Criminal Matters, 27 U.S.T. 2019, as well as 28 U.S.C. §1782 and this Court's inherent authority, that Assistant U.S. Attorney Curtis B. Miner is appointed as a Commissioner of this Court and is hereby directed to execute the Treaty request as follows:

1. take such steps as are necessary, including issuance of commissioner's subpoenas, to collect the evidence requested;

2. provide notice with respect to the collection of evidence to those persons identified in the request as parties to whom notice should be given (and no notice to any other party

shall be required);

3. adopt procedures to collect the evidence requested, consistent with its use in the investigation or proceeding for which Switzerland has requested assistance, which procedures may be specified in the request or provided by or with the approval of the Swiss Central Authority under the Treaty;

4. seek such further orders of this Court as may be necessary to execute this request; and

5. certify and submit the evidence collected to the Office of International Affairs, Criminal Division, United States Department of Justice, or as otherwise directed by that office for transmission to Switzerland.

IT IS FURTHER ORDERED that, in collecting the evidence requested, the Commissioner may be accompanied by persons whose presence or participation is authorized by the Commissioner, including, without limitation, special agents of the Federal Bureau of Investigation and/or representatives of Switzerland.

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UNITED STATES DISTRICT JUDGE

Dated: ________________, 2001

EXAMINING MAGISTRATE'S OFFICE IV
CANTON OF ZURICH

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To the Central Authority of the
United States

Zurich, February 27th. 2001

Request for assistance in the investigaticn of Vladimiro Montesinos Torres

I, the undersigned Cornelia A. Cova, Examining Magistrate at the Examining Magistrate's Office IV Canton of Zurich (Special Division for Money Laundering and International Judicial Assistance), am commissioned, in accordance with Swiss law, to conduct criminal investigations and thereby authorized to order the search of premises, to issue arrest warrants, to block bank accounts, to carry out hearings with witnesses and defendants, to lay indictments etc. and to file international requests for legal assistance. Upon this basis I have the honour to request through the Central Authority of Switzerland the assistance of the appropriate authorities in the United States pursuant to the treaty on mutual assistance in criminal matters. I am conducting an investigation into whether Vladimiro Montesinos Torres violated the Swiss Penal Code in respect of money-laundering.

THE FACTS

Opening of the investigation

Since 1993 and especially since 1996 the Swiss newspapers reported repeatedly on Montesinos Torres, former advisor to the Peruvian President Fujimori and former advisor to the Peruvian Secret Service (SIN). Montesinos Torres is said to be involved in drug trafficking, corruption, arms dealing and first-degree murder. An indicted drug lord stated in the stand that Montesinos Torres received bribe money from the organization. Furthermore Montesinos Torres is allegedly connected to the transportation of cocain aboard vessels of the Peruvian Navy and aircrafts of the Peruvian Air Force. Only recently a video was broadcasted in Peru showing Montesinos Torres bribing a Peruvian Congressman. The Peruvian authorities are also investigating Montesinos Torres for money laundering, first-degree murder, corruption and drug trafficking.

Upon the basis of such newspaper articles and upon the basis of the Swiss Money Laundering Act the former Canadian Imperial Bank of Commerce in Zurich (new name: Banque CAI (Suisse) SA) notified on September 27, 2000, the Swiss authorities with relation to account no. 20.633 (account holder: Yakitori Ventures Inc.). This account had been openened on July 20, 1998, and the beneficial owner of this account is Montesinos Torres. Based on this report an investigation against Montesinos Torres was opened by our office.

Summary of the facts

A) Bribe money in connection with a delivery of MIG29

Approximately between the end of 1998 and the end of 1999 the Russian state unitary enterprise "Rosvoorouzhenie" (an armament factory) delivered three aircrafts MIG29 to the Peruvian Ministry of Defence. In order to conclude this deal Montesinos Torres was bribed with at least USD 11 millions by the arms-dealers James Stone, Ilan Weil Levy und Zwi Sudit. Since the origin of the bribe money and the kick-backs had to be hidden a so called "Consultancy Agreement", dated June 6, 1998, between the Rosvoorouzhenie and the Peruvian "Grupo Ghiss Iberica S.R.L. " was set up (enclosures 1-2). According to this consultancy agreement Grupo Ghiss should render assistance to Rosvoorouzhenie "in concluding and executing contracts on delivery of special equipment from the Russian Federation to Peru". The commission fee was agreed to be paid to the account of Lenwick Trading Inc. at Bank Leumi in Zurich and to the account of Hawkeye Management at Fibi Bank in Zurich. The agreement was signed by Ilan Weil and Fernando Carulla for Grupo Ghiss and by Yuri Khozyainov on behalf of Rosvoorouzhenie. Yuri Khozyainov, deputy general director of Rosvoorouzhenie, was also bribed with at least USD 708'000.-- for his services.

Arms-dealer Rony Lerner together with the Israeli lawyer Mordechai Mintzer were responsible for the "architecture" of the bank account structures in Switzerland. Upon the recommendation of Mintzer Lerner and Weil opened on June 18, 1998, the account no. 16430 for Lenwick Trading Inc. at Fibi Bank in Zurich and on July 8, 1998, the account no. 225.334 for Hawkeye Management Ltd. at Bank Leumi in Zurich. The banks were untruthfully told by Lerner and Mintzer that the funds of these two accounts were commission fees paid on the basis of the afore mentionend Consultancy Agreement. Furthermore Lerner provided the banks with a copy of his arms-dealer licence of the Israeli Ministry of Defence (SIBAT), although neither the Consultancy Agreement nor the licence had anything to do with the origin of the funds and the reason why they were paid.

By introducing them to Swiss banks, Mintzer and Lerner made it possible for other persons involved to open bank accounts in Switzerland, namely:

Fibi Bank Zurich:

- Account no. 16.485
  account holder: Ruggel Trading Inc.
  Opening: June 18,1998
  Beneficial owner: Montesinos Torres
- Account no. 16.735
  account holder: Dervis Trading Corp.
  Opening: February 2, 1999
  Beneficial owner: Zwi Sudit
- Account no. 16.715
  account holder: Elena Group Ltd.
  Opening: February 2,.1999
  Signatory power: James Stone

Bank Leumi Zurich

- Account no. 226266
  account holder: Ruggel Trading Inc.
  Opening: December 1998
  Beneficial owner: Montesinos Torres
- Account no. 226274
  account holder: Dervis Trading Corp.
  Opening: March 15, 1999
  Beneficial owner: Zwi Sudit
- Account no. 226290
  account holder: Elena Group
  Opening: January 27, 1999
  Signatory power: James Stone

Banque CAI Zurich

- Account no. 20.633
  account holder: Yakitori Ventures Inc.
  Opening: July 7, 1998
  Beneficial Owner: Montesinos Torres

Bank Leu AG Zurich

- Account no. 869.874
  account holder: Yakitori Ventures Inc.
  Opening: August 21, 1998
  Beneficial owner: Montesinos Torres

B) Bribe money in connection with unknown delivery of arms

The contract with regard to the three MIG29 only explains a part of the bribe money and kick backs paid to the accounts in Switzerland. Lerner and Weil had another account at Bank Leumi in Zurich, account no. 224220 (account holder: Hightech Technology Ltd.). Secured with Letters of Credit USD 10 millions were transferred to this account from the Peruvian Ministry of Defence. It can be determined from the Letters of Credit that some kind of armament supplies were delivered from Israel to the Peruvian Navy. With regard to this contract Montesinos Torres had also been bribed with at least USD 780'000.– (according to the payment to his Ruggel Trading account at Fibi).

C) Money of unknown sources

Many transfers to and from the accounts of Hawkeye Management, Lenwick Trading and Hightech Technology originated from the U.S., respectively were made to the U.S. It is suspected that the origin of the funds transferred from the U.S. to Switzerland is also illegal. We had been able to establish that Montesinos Torres had had at least two accounts at UBS in New York (former Swiss Bank Corporation) which probably had been closed and the money had been transferred to his new accounts at UBS in Lugano. Montesinos Torres had been introduced to Swiss Bank Corporation New York by Zwi Sudit. Montesinos Torres was working for the Peruvian Governement on a monthly salary of USD 200.--. In Switzerland his accounts were blocked with a total amount of USD 48 millions, an amount which he was not able to gain legally on his monthly salary.

The relevant transactions

For an overview I refer to the flow chart (annexure 3).

Bank Leumi le-Israel, account no. 225.334

Account holder: Hawkeye Management Ltd.

Beneficial owner: Rony Lerner and Ilan Weil Levy

Value date	Debit USD	Credit USD	Transaction
98-12-17		6'026'269.50	Transfer from Novaya Moskva Bank order FGUP GK Rosvoruzheniye. Ref. pmnt on agents agreement
99-01-20		5'047'100.--	Transfer from UBS Lugano, order Ranger Ltd. (beneficial owner: Montesinos)
99-01-21		8'727'713.40	Transfer from Bank for Foreign Economic Affairs Moscow, order ABC 39, Ref. payment uder ds 1 dd 6.6.98 to consulting agreement dd 6.6.98 bny cust rm - funds received
99-01-26	10'029.02		Transfer to Canadian Imperial Bank Zurich in favour of Yakitori Ventures, Ref. consultancy fee
99-01-28		1'927.15	Transfer from UBS Lugano, order Ranger Ltd.
99-02-01		459'874.70	Transfer from Novaya Moskva Bank order FGUP GK Rosvoruzheniye, Ref. frb 0102-3 (137) payment on addendum n 1 dd 6.6.98 to agreement for consultation dd 6.6.98
99-02-01		461'843.95	Transfer from Novaya Moskva Bank order FGUP GK Rosvoruzheniye, Ref. rfb 0102-2 /73) payment on addendum n 1 dd 6.6.98 to agreement for consultation dd 6.6.98
99-02-01		**113'000.--**	**Transfer from Israel Discount Bank of New York order Dell Bridge Corp. (enclosures 4.1-4.2)**

99-02-17	**214'971.93**		**Transfer to Marine Midland Bank Amherst, NY 14228, in favour of account no. 704707454, Moises Sudit, Ref consultation no. 6734 (enclosures 5.1-5.4)**
99-02-17	**249'971.93**		**Transfer to Israel Discount Bank of New York in favour of account no. 08-2457-9, Polka Equity Inc., Ref. Consultancy - invoice no. 563 (enclosures 6.1-6.2)**
99-02-17	**499'971.93**		**Transfer to UBS New York in favour of account no. YR-136824, Dunes International Inc., Ref. consultancy - invoice no. 768 (enclosures 7.1-7.2)**
99-02-25		779'557.74	Transfer from Novaya Moskva Bank order FGUP GK Rosvoruzheniye, Ref. rfb 2502-1 (354) early pmt under ds 1 dd 6.6.98 to consult. agr. dd 6.6.98
99-02-25		740'884.53	Transfer from Novaya Moskva Bank order FGUP GK Rosvoruzheniye, Ref. rfb 2502-15 (320) pmt under ds 1 dd 6.6.98 to consult. agr dd 6.6.98
99-03-02		**78'480.--**	**Transfer from Israel Discount Bank of New York order Dell Bridge Corp. (enclosures 8.1-8.2)**
99-03-10	3'512'450.--		Transfer to Dervis Trading, Leumi Zurich, Ref. Consultancy
99-03-10	1'766'660.--		Transfer to Ruggell Trading, Leumi Zurich, Ref. Consultancy fee
99-03-10	2'143'000.--		Transfer to Ruggell Trading, Leumi Zurich, Ref. Consultancy fee
99-03-10	5'047'100.--		Transfer to Ruggell Trading, Leumi Zurich, Ref. Consultancy fee
99-03-10	2'288'480.--		Transfer to Ruggell Trading, Leumi Zurich, Ref. Consultancy fee
99-03-18	3'512'450.--		Transfer to Leumi Zurich in favour of Elena Group. Ref. Consultancy
99-03-31	1'999'776.90		Transfer to Bank Adamas Lugano in favour of Scaurus AG. Ref. Consultancy fee
99-04-30		3'076'557.63	Transfer from UBS Luxemburg
99-05-11	1'086'550.--		Transfer to Ruggell Trading, Leumi Zurich, Ref. Consultancy fee
99-05-12	1'990'026.85		Transfer to Yakitori Ventures Inc., Canadian Imperial Bank Zurich, Ref. Consultancy fee

99-09-20		**500'000.--**	**Transfer from Israel Discount Bank of New York order Distino Corp. (enclosures 9.1-9.2)**
99-09-20		**580'000.--**	**Transfer from Israel Discount Bank of New York order Dell Bridge Corp. (enclosures 10.1-10.2)**
99-09-29	1'080'026.13		Transfer to Banque Generale Luxembourg in favour of Blue Bridge Trust. Ref. Consultancy fee
99-11-05		**570'000.--**	**Transfer from Israel Discount Bank New York order Dell Bridge Corp. (enclosures 11.1-11.12)**
99-11-16	569'025.97		Transfer to Banque Generale Luxembourg in favour of the Hudson Trust. Ref. Consultancy fee

Fibi Bank (Switzerland) SA Zurich, account no. 16430

Account holder: Lenwick Trading Inc.

Beneficial owners: Rony Lerner and Ilan Weil Levy

Value date	Debit USD	Credit USD	Transaction
98-10-27		**2'548'250.--**	**Transfer from Israel Discount Bank of New York, order Dell Bridge Corp. (enclosures 12.1-12.2)**
98-11-02	2'200'000.--		Transfer to Fibi, in favour of Ruggel Trading. Ref. on account of Inv. 426
98-11-02	100'000.--		Transfer to Bank Générale du Luxembourg, in favour of account no. 35-792261-37. Ref. down payment no. 1
98-11-02	100'000.--		Transfer to Bank Générale du Luxembourg, in favour of account no. 35-817354-07. Ref. down payment no. 1
98-12-18		6'026'269.50	Transfer from Novaya Moskva Bank, order FGUP.GK. Rosvoruzheniye. Ref. payment on agents agreement 1712-36 (2918)

99-01-13		**220'000.--**	**Transfer from Israel Discount Bank of New York, order Dell Bridge Corp., Ref. 0825416 DBC (enclosures 13.1-13.2)**
99-01-20		5'047'100.--	Transfer from UBS AG Lugano, order Cross Int. (beneficial owner: Montesinos)
99-01-20		7'455'426.80	Transfer from Novaya Moskva Bank, order 1349. Ref. 1801-11 (62) pmt under ds 1 dd 6.6.98 to consult agr. dd 6.6.98 compulsory sale was effected
99-01-22		1'272'286.60	Transfer from Bank for foreign economic affairs Moskau. order ABC 61. Ref. Pament under ds 1 dd 6.6.98 to consulting agreement dd 5.6.98 bny cust rm - funds received
99-01-27	10'000.--		Transfer to Bank Leu Zurich, in favour of Yakitori Ventures
99-01-27	368'000.--		Transfer to Fibi Bank, in favour of Ruggel Trading
99-01-28		1'927.13	Transfer from UBS Lugano, order Crooss Int.
99-02-02		921'718.65	Transfer from Novaya Moskva Bank, order GFUP GK Rosvoorouzhenie, Ref. payment on addendum no 1 dd 6.6.98 on agreement for consultation dd 6.6.98
99-02-04	5'047'100.--		Transfer to Fibi, in favour of Ruggel Trading
99-02-08	530'000.--		Transfer to Fibi, in favour of Hightech Systems Ltd.
99-02-17	1'766'660.--		Transfer to Bak Leu, Zurich, in favour of Yakitori Ventures, Ref. Consultancy - Invoice no. 886
99-02-179	1'776'660.--		Transfer to Fibi, in favour of Ruggel Trading Inc., Ref. Consultancy fee
99-02-17	550'000.--		Transfer to Atlantic Security Bank Grand Cayman, in favour of Banco de Creditodel Peru, Nassau-Branch
99-02-17	**400'000.--**		**Transfer to Northern Trust Bank, Delray Beach, Florida 33463, in favour of account no. 531 700 1063, Isaias Sudit, Ref. consultation - no. 5647 (enclosures 14.1-14.3)**

99-02-17	250'000.--		Transfer to Israel Discount Bank of New York, in favour of account no. 08-2457-9, Polka Equity Inc., Ref. consultancy - invoice no. 564 (enclosures 15.1-15.3)
99-02-17	185'000.--		Transfer to Israel Discount Bank of New York, in favour of account no. 08-2542-4, Distino Corp., Ref. Consultantcy fee (enclosures 16.1-16.2)
99-02-17	3'512'450.--		Transfer to Fibi, in favour of Elena Group Ltd., Ref. Consultancy
99-02-17	3'512'450.--		Transfer to Fibi, in favour of Dervis trading Corp., Ref. Consultancy
99-02-26		1'520'442.26	Transfer from Novaya Moskva Bank, order GFUP Rosvooruzhenie, Ref. Rfb 2502-14 (319) pmt under ds 1 dd 6.6.98 to consult. agr. dd 6.6.98
99-04-02	3'000'218.--		Transfer to Bank Adamas Lugano, in favour of Scaurus AG, Ref. Consultancy fee
99-04-30		3'076'557.63	Transfer from UBS SA Luxembourg
99-05-13	2'101'550.--		Transfer to Fibi, in favour of Ruggel Trading, ref. consultancy fee
99-05-13	974'970.--		Transfer to Bank Leu Zurich, in favour of Yakitori Ventures Inc., ref. consultancy - invoice no. 893
99-06-07	708'429.--		Transfer to Crédit Lyonnais Zurich, in favour of Konto 6521-Picture, Yury Khozyainov, Ref. Consultancy - invoice no. 037
99-12-15		412'069.50	Transfer from Bank for Foreign Economic Affairs, order ABC 3514, Ref. pament under add 1 dd 6.6.98 agency agreement dd 6.6.98 bny cust rrn -fundes received
00-09-14		94'609.09	Transfer from Bank for foreign economic, order FGUP GK Rosvooruzhenie, Ref. Rfb Swf of 00/09/13 isn 028138 ssn 0169657 osn 018531 add N4 dd 991125 to consulting agreement of 6.6.98
00-10-04		500'000.--	Transfer from Bank Hapoalim NY, order Harnof, Banco del Progresso Lima, Ref. Key 08
00-10-11		300'000.--	Transfer from Bank Hapoalim NY, order Banco del Progresso Lima

00-10-26	1'342'570.--		Transfer to Bank Leumi, Luxembourg, in favour of CN-5226, Ref. 1st payment for building - per agreement

Bank Leumi le-Israel (Switzerland), account no. 224220

Account holder: Hightech Technology Ltd.

Signatory power: Rony Lerner and Ilan Weil Levy

Beneficial owner: Rony Lerner

Value Date	Debit USD	Credit USD	Transaction
97-09-23		994'789.80	Transfer from Banco de la Nacion order Ministerio de Defensa, Lima (L/C 97/7244; 1. utilization)
97-10-06		77'525.40	Transfer from Banco de la Nacion order Ministerio de Defensa, Lima (L/C 97/7244; 2. utilization)
97-10-17		218'719.10	Transfer from Banco de la Nacion order Ministerio de Defensa, Lima (L/C 97/7244; 3. utilization)
97-10-31		157'560.--	Transfer from Banco de la Nacion order Ministerio de Defensa, Lima (L/C 97/7244; 4. utilization)
97-11-13	392'451.61		Transfer to Bank Leumi Tel Aviv, in favour of Hightech Technology Ltd. Ref."Payment of Sutex Peru for Export Invoices from Israel"
97-11-25		**4'400'000.--**	**Transfer from Israel Discount Bank of New York, order Dell Bridge Corp. (enclosures 17.1-17.2)**
97-11-28	1'100'000.--		Transfer to Bank Generale Du Luxembourg, in favour of Blue Bridge Trust, Ref. "Downpayment no. 1 per contract"
07-12-03	1'100'000.--		Transfer to Bank Generale du Luxembourg, in favour of The Hudson Trust, Ref. "Downpayment no. 1"

97-12-09	1'000'000.--		Transfer to Bank Generale du Luxembourg, in favour of Blue Ridge Trust
97-12-09	**1'035'000.--**		**Transfer to Israel Discount Bank of New York, in favour of account no. 08-2541-6, Dell Bridge Corp. (enclosures 18.1-18.3)**
97-12-11		38'448.70	Transfer from Banco de la Nacion order Ministerio de Defensa, Lima (L/C 97/7244; 5. utilization)
97-12-17	1'000'000.--		Transfer to Bank Generale du Luxembourg, in favour of The Hudson Trust, Ref. "Down payment no. 2 - Perla Order"
97-12-18	200'000.--		Transfer to Bank Generale du Luxemburg, in favour of account no. 35-792261-37, Ref."Down payment no. 1 - Perla Order"
97-12-31	36'890.--		Transfer to Bank Leumi Tel Aviv, in favour of Hightech Technology Ltd., Ref. "Payment of Sutex S.A., Invoices 910 and 913"
98-02-26		**800'000.--**	**Transfer from Israel Discount Bank of New York, order Dell Bridge Corp.(enclosures 19.1-19.2)**
98-03-04	800'000.--		Transfer to Bank Generale du Luxembourg, in favour of Blue Ridge Trust, Ref."Down payment no. 2 FAP Project"
98-03-17		588'330.20	Transfer from Banco Exterior de Espana order Ministerio de Defensa, Lima (L/C 98/7257; 1. utilization)
98-03-26	334'265.--		Transfer to Bank Leumi Tel Aviv, in favour of Hightech Technology Ltd., Ref."Invoice nos. 926/98, 927/98, 930/98"
98-03-25		229'730.50	Transfer from Banco Exterior de Espana order Ministerio de Defensa, Lima (L/C 98/7257; 2. utilization)
98-05-27		245'488.80	Transfer from Banco Exterior de Espana order Ministerio de Defensa, Lima (L/C 98/7257; 3. utilization)
98-06-04		137'830.50	Transfer from Banco Exterior de Espana order Ministerio de Defensa, Lima (L/C 98/7257; 4. utilization)
98-06-08	298'095.--		Transfer to Bank Leumi, Tel Aviv, in favour of Hightech Technology, Ref."For Invoices no. 920, 921, 929, 931, 932, 933"

98-06-25	**154'216.74**		**Transfer to Bank Leumi Tel Aviv, in favour of account no. 800-0950/290300/30, Ref. "Payment is for invoices nos. 935/98, 936/98 & 938/98 by Sutex SA"**
98-06-22		179'010.--	Transfer from Banco Exterior de Espana order Ministerio de Defensa, Lima (L/C 98/7257; 5. utilization)
98-06-22		105'800.--	Transfer from Banco Exterior de Espana order Ministerio de Defensa, Lima (L/C 98/7257; 6. utilization)
98-07-14	**176'473,83**		**Transfer to Northern Trust Bank, Miami, in favour of account no. 1740001274, James Stone (enclosures 20.1-20-3)**
98-07-14	**189'473.83**		**Transfer to Israel Discount Bank of New York in favour of account no. 08-2542-4, Distino Corp. (enclusures 21.1-21.3)**
98-07-14	260'000.--		Transfer to Bank Generale du Luxembourg, in favour of Yorkland Int. Ltd.
98-12-21		3'252'365.--	Transfer from Banco de Comercio Peru order Ministerio de Defensa, Lima (L/C 98/7300, full utilization)
98-12-30	517'012.26		Transfer to Bank Leumi le Israel, Tel-Aviv, in favour of Hightech Technology Ltd., Ref. "Payment of sutex SA - Lima for invoinces no. 942/98, 947-953/98"
99-01-22	**1'600'000.--**		**Transfer to Israel Discount Bank of New York, in favour of account no. 08-2542-4, Distino Corp., Ref. "Comm. for Invoice no. 949" (enclosures 22.1-22.2)**
99-01-22	780'000.--		Transfer to Fibi Bank, in favour of Ruggel Trading, Ref. "Consultancy Fee"
99-03-17	270'531.--		Transfer to Bank Leumi le Israel, Tel Aviv, in favour of Konto Nr. 800-290300/30 (Hightech Technology Ltd). "Ref. Sutex-Peru. For inv. nos. 955/956/958/960/962/964-8"
99-06-30		2'201'543.20	Transfer from Banco de Comercio Peru order Ministerio de Defensa, Lima (L/C 99/7332, full utilization)
99-07-07	450'843.--		Transfer to Bank Leumi le-Israel, Tel Aviv, in favour of Hightech Technology Ltd., "Ref. Sutex S.A. From Peru open balance fort export from Israel to Peru

99-07-16	**81'974.68**		**Transfer to Israel Discount Bank of New York, in favour of account no. 08-2457-9, Polka Equity Inc. Ref." Consultations Invoice no. 568" (enclosures 23.1-23.3)**
99-07-16	**1'449'974.68**		**Transfer to Israel Discount Bank of New York, in favour of account no. 08-2542-4, Distino Corp. Ref."on account of supply to Peru" (enclosures 24.1-24.2)**
99-07-16	150'000.--		Transfer to Banco de Progresso Lima, in favour of Sutex S.A., Ref. "Reimbursmement of Marketing Expenses"
99-10-20		1'837'778.--	Transfer from Banco de la Nacion Peru order Ministerio de Defensa, Lima (L/C 99'7342, full utilization)
99-10-22	408'734.--		Transfer to Bank Leumi le-Israel Tel Aviv, in favour of Hightech Technology Ltd. Ref. "Sutex Peru Payment for Inv. 987, 988, 989, 993, 995"
99-10-25	35'011.--		Transfer to Bank Leumi le-Israel Tel Aviv, in favour of Higthech Technology Ltd., Ref. "Sutex Peru payment for Inv. 992, 994, 996, 997, 999"
99-10-29	234'416.--		Transfer to Bank Leumi le Israel Tel Aviv, in favour of Hightech Technology Ltd., Ref. "Sutex Peru Payment for Inv. 998/99".
99-11-09	**391'000.--**		**Transfer to Israel Discount Bank of New York, in favour of account no. 08-2457-9, Polka Equity Inc. Ref. "Invoice no. 604/Planning"(enclosures 25.1-25.3)**
99-11-12	**635'000.--**		**Transfer to Israel Discount Bank of New York, in favour of account no. 08-2541-6, Dell Bridge Corp. Ref. "Payment of Invoice no. 78" (enclosures 26.1-26.3)**
99-12-28	42'380.--		Transfer to Bank Leumi le-Israel, in favour of Hightech Technology Ltd, "Ref. Sutex Peru Payment for Inv. 1000/99, 1001/99, 1002/99, 1004/99
00-05-30	58'032.--		Transfer to Bank Leumi le-Israel Tel Aviv, in favour of Hightech Technology Ltd., Ref. "Sutex Peru payment for Inv. 1005/00 1006/00 1007/00
00-10-30	20'489.--		Transfer to Bank Leumi le- Israel Tel Aviv, in favour of Hightech Technology Ltd, Ref. "Sutex Peru Payment for Inv. 1010/00 1011/00

Bank Leumi le-Israel (Switzerland), account no. 226290

Account holder: Elena Group Ltd.

Signatory power: James Stone and Judith Cohen Stone

Beneficial Owner: Judith Cohen Stone, DOB January 1. 1922, mother of James Stone

Value date	Debit USD	Credit USD	Transaction
99-03-18		3'512'450.--	Transfer from Leumi, order Hawkeye Management Ltd.
99-12-02		600'000.--	Transfer from Banque Général du Luxembourg, order Yorkland International Ltd.
99-12-29		943'148.34	Transfer from Banque Général du Luxembourg, order Yorkland International Ltd.
99-12-29		1'917'914.59	Transfer from Banque Générale du Luxembourg SA, order one of our clients
99-12-30	**3'000'000.--**		**Transfer to Northern Trust Bank Aventura, in favour of account no. 174 000 1274, James Stone (enclosures 27.1-27.8)**
00-03-27		**500'000.--**	**Transfer from Israel Discount Bank of New York, order Dell Bridge Corp. (enclosures 28.1-28.2)**

UBS SA Lugano, account no. Q5-668479

Account holder: Ranger Ltd.

Beneficial owner: Montesinos Torres

Value date	Debit USD	Credit USD	Transaction
97-07-17		**54'147.24**	**Transfer from Swiss Bank Corporation New York (enclosures 29.1-29.2)**

97-07-17		**6'918'124.78**	**Transfer from Swiss Bank Corporation New York (enclosures 30.2-30.2)**
00-10-10	8'570'789.60		Transfer to Bank Leumi, in favour of Hawkeye Management

UBS SA Lugano, account no. Q5-668478

Account holder: Cross International Corp.

Beneficial owner: Montesinos Torres

Value Date	Debit USD	Credit USD	Transaction
97-07-17		**9'351'832.51**	**Transfer from Swiss Bank Corporation New York (enclosures 31.1-31.2)**
99-01-20	5'047'100.--		Transfer to Bank Leumi, in favour of Hawkeye Management Ltd.
99-01-20	5'047'100.--		Transfer to Fibi, in favour of Lenwick Trading
99-01-26	1'930.--		Transfer to Fibi, in favour of Lenwick Trading
99-01-26	1'930.--		Transfer to Leumi, in favour of Hawkeye Management

THE OFFENCES

Money laundering: Article 305bis, Swiss Penal Code

"1. Whoever performs an act which is appropriate to prevent the determination of the origin, the discovery or the confiscation of assets which, as he knows or has to presume, originate in a crime,

shall be punished with imprisonment or with fine.

2. In serious cases the punishment shall be up to five years of penitentiary or imprisonment. A fine up to 1 Million Francs may be combined therewith.

There is a serious case in particular if the offender

a. acts as as a member of a criminal organization;

b. acts as a member of a group which has united for the continuing exercise of money laundering.

c. obtains a great turnover or a considerable prfit by making a practice of money laundering.

3. The offender shall also be punished if the main act has been committed abroad and is also punishable at the place of perpetration."

Article 19, figure 1, subsections 7 and 9, and figure 2, Swiss Narcotics Act :

"1. ...

...

...

...

...

...

whoever finances the illegal traffic of narcotics or serves as an intermediary for its financing,

...

shall, if he commits the act intentionally, be punished with imprisonment or with a fine. In serious cases the punishment shall be penitentiary or imprisonment for not less than a year, and a fine up to 1 million Francs may be combined therewith

2. There is a serious case in particular if the offender

a. knows or has to presume that the offence refers to an quantity of narcotics which may endanger the health of numerous human beings;

b. acts as a member of a gang wich has united for the exercise of the illegal narcotics traffic.

c. obtains a great turnover or a considerable profit by making a practice of narcotics traffic."

Embezzlement: Article 138, Swiss Penal Code

1 Whoever appropriates a moveable object. belonging to another but entrusted to him for his own or another's wrongful profit,

whoever wrongfully uses assets entrusted to him for his own or another's pofit,

shall be punished with imprisonment for up to five years or penitentiary.

Embezzlement committed to the detriment of a relative or a member of the same family shall be prosecuted only on petition.

2. Whoever commits the offence in his capacity as a member of an authority, as an official, guardian, custodian, professional asset manager or in the exercise of a vocation, trade or business for which he has been officially authoriesed,

shall be punished with imprisonment for upt to ten years or with penitentiary.

Bribery: Article 322ter, Swiss Penal Code

Whoever offers, promises or grants to a member of a judicial or other authority, an official, an officially appointed expert, translator or interpreter, an arbitrator or a member of the armed forces an unwarranted advantage to this person's benefit or to the benefit of a third party in connection with this person's official activity in exchange for an act or omission in breach of this person's duty or in this person's discretion.

shall be punished with imprisonment for up to five years or with penitentiary

Accepting a bribe: Article 322quater, Swiss Penal Code

Whoever, as a member of a judicial or other authority, as an official, an officially appointed expert, translator or interpreter, an arbitrator or a member of the armed forces, claims, allows himself to be promised or accepts an unwarranted advantage for himself or for a third party in connection with his official activity in exchange for an act or omission in breach of his duty or in his discretion,

shall be punished with imprisonment for up to five years or with penitentiary.

Bribing foreign office-holders: Article 322septies, Swiss Penal Code

Whoever offers, promises or grants to a member of a judicial or other authority, an official, an officially appointed expert, translator or interpreter, an arbitrator or a member of the armed forces acting for a foreign state or an international organisation an unwarranted advantage to this person's benefit or to the benefit of a third party in connection with this person's official activity in exchange for an act or omission in breach of this person's duty or in this person's discretion,

shall be punished with imprisonment for up to five years or with penitentiary.

PERSONS AND ENTITIES INVOLVED

1. **Vladimiro MONTESINOS TORRES**

Date of Birth:	May 20, 1945
Place of Birth:	unknown
Citizenship:	Peru
Address:	unknown

2. **James STONE**

Date of Birth	February 1, 1952

Place of Birth:	**Lima, Peru**
Citizenship:	**Peru**
Address:	**unknown**

3. **Ilan WEIL LEVY**

Date of Birth:	April 25, 1951
Place of Birth:	Israel
Citizenship:	Peru
Address:	unknown

4. **Zwi SUDIT**

Date of Birth:	May 3, 1935
Place of Birth:	Israel
Citizenship:	Peru
Address:	7235 Promenade Drive, Boca Raton, Florida 33433

5. **Yury KHOZYAINOV**

Date of Birth:	January 1, 1947
Place of Birth:	Gorrovskaya Oblast, Russian Federation
Citizenship:	Russian Federation
Address:	Krylatskie Cholmy Street 31-88, 121614 Moscow

6. **Fernando CARULLA**

Date of Birth:	unknown
Place of Birth:	unknown
Citizenship:	Peru
Address:	unknown

7. **Rony LERNER**

Date of Birth:	February 3, 1949
Place of Birth:	Sweden
Citizenship:	Israel
Address:	12 Barazani Street, Apt. 28, Tel Aviv

8. **Mordechai MINTZER**

Date of Birth:	unknown
Place of Birth:	unknown
Citizenship:	Israel
Address:	24 neve Zedek Str., Tel Aviv

9. **State Corporation Rosvoorouzhenie**

   Place of Incorporation: Russian Federation

   Address: 21 Gogolevsky Boulevard, 119865 Moscow

10. **Grupo Ghiss Iberica S.R.L.**

    Place of Incorporation: Peru

    Address: Calle San Martin no 864 Piso 7, Lima, Peru

11. **Yakitori Ventures Inc.**

    Place of Incorporation: Nassau, Bahamas

    Address: Rovert House, Market Street North P O Box 529 Nassau, Bahamas

12. **Lenwick Trading Ltd.**

    Place of Incorporation: Nassau, Bahamas

    Address: 50 Shirley Street, P.O. Box, Nassau, Bahamas

13. **Ruggel Trading Inc.**

    Place of Incorporation: Nassau, Bahamas

    Address: Rovert House, Market Street North, P.O. Box, Nassau, Bahamas

14. **Hawkeye Management Ltd.**

    Place of Incorporation: Nassau, Bahamas

    Address: Rovert House, Market Street North, Nassau, Bahamas

15. **Hightech Systems Ltd.**

    Place of Incorporation: Israel

    Address: Dov Gruner 9, Tel Aviv

16. **Ranger Ltd.**

    Place of Incorporation: Nassau, Bahamas

    Address: P.O. Box 757, Nassau, Bahamas

17. **Cross International Corp.**

    Place of Incorporation: Nassau, Bahamas

    Address: P.O. Box 757, Nassau, Bahamas

PERSONS AND ENTITIES AFFECTED

1. **Israel Discount Bank of New York**

   Address: 511, 5the Ave. New York, NY 10017

2. **Marine Midland Bank, Audubon Office**

   Address: Amherst, NY 14228

3. **UBS New York (formerly Swiss Bank Corporation)**

   Address: Swiss Bank Tower, 10 E 50th Street, New York, NY10022

4. **Northern Trust Bank**

   Address: 770 E Atlantic Ave., Delray Beach, FL 33463

5. **Northern Trust Bank**

   Address: 3001 Aventura Blvd., Aventura, Miami, Florida 33180

NEED FOR ASSISTANCE

With the assistance of the U.S. authorities we hope to establish not only further information on the origin of the funds and the allotment of the money but also on the composition of the persons involved and their activities

Documents needed

A. Please provide complete records of any and all accounts at the **Israel Discount Bank of New York** relating to

1. Account no. 08-2541-6, Dell Bridge Corp.
2. Account no. 08-2457-9, Polka Equity Inc.
3. Account no. 08-2542-4, Distino Corp.
4. Vladimiro Montesinos Torres (account holder or beneficial owner)

B. Please provide complete records of any and all accounts at **Marine Midland Bank, Audubon Office** relating to.

1. Account no. 70470754, Moises Sudit
2. Vladimiro Montesinos Torres (account holder or beneficial owner)

C. Please provide complete records of any and all accounts at **UBS New York (formerly Swiss Bank Corporation)** relating to:

1. Account no. YR-136824, Dunes International Inc
2. Vladimiro Montesinos Torres (account holder or beneficial owner) including but not limited to the accounts from which the above mentioned transfers to Switzerland were made (p. 14-15)

D. Please provide complete records of any and all accounts at **Northern Trust Bank Delray Beach** relating to:

1. Account no. 531 700 1063, Isaias Sudit
2. Vladimiro Montesinos Torres (account holder or beneficial owner)

E. Please provide complete records of any and all accounts at **Northern Trust Bank Aventura Miami** relating to.

1. Account no. 1740001274, James Stone
2. Vladimiro Montesinos Torres (account holder or beneficial owner)

F. Records should be for the period between October 1st, 1997 and October 31st, 2000, (accounts of Vladimiro Montesinos Torres: for the period between the opening of the account until today) and should include, but not be limited to:

1. Original signature cards
2. Documentation of account opening
3. Account ledger cards
4. Periodic account statements
5. Records (copied front and back) of all items deposited, withdrawn, or transferred
6. Wire transfers
7. Correspondence to, from, or on behalf of the account holder
8. Memoranda related to the account

Testimony needed

Please identify the official of

UBS New York (formerly Swiss Bank Corporation)

Please interview under oath such an official, regarding the accounts of Vladimiro Montesinos Torres and regarding the following points:

1. Who introduced Vladimiro Montesinos Torres to the Swiss Bank Corporation New York?
2. Does Zwi Sudit have bank accounts with UBS New York, respectively did he have bank accounts with Swiss Bank Corporation New York?
3. What is the profession of Zwi Sudit?
4. Have bank officials ever met Vladimiro Montesinos Torres? And if so: what were the circumstances?
5. What were the bank officials told about the profession of Vladimiro Montesinos Torres?
6. What were the bank officials told about the origin of the funds of Vladimiro Montesinos Torres' accounts?
7. Why were the accounts closed and the funds transferred to Switzerland?

Your assistance in this matter is very much appreciated.

Sincerely,
EXAMINING MAGISTRATE'S OFFICE IV CANTON OF ZURICH

Cornelia A. Cova
Examining Magistrate